# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:6809
ANSWERED ON:10.05.2002
DUMPING OF GOODS BY FOREIGN COMPANIES
SANJAY PASWAN

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government are aware that in the name of multi level marketing, some foreign companies like Amway Corporation of USA, Oriflame International of Sweden, Japan Life Insurance, etc. are dumping and marketing their products unethically;

(b) if so, whether the Government have examined the matter;

(c) if so, the outcome thereof;

(d) if not, the reasons therefor; and

(e) the steps being taken by the Government in this regard?

## Answer

THE MINISTER OF STATE IN MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) The Government has granted Foreign Investment Promotion Board(FIPB) approval on 26.8.94 to M/s. Amway Corporation of USA to set up a wholly owned subsidiary in India to establish and develop a direct selling business of products which shall be sourced from local independent Indian manufacturers, particularly Small Scale Unit by providing technology support.The company has also been granted permission for test-marketing a specified range of Amway Products for a period of two years subject to the condition that it shall have them manufactured by independent manufacturers in India within that period by providing necessary technology support. M/s. Oriflame International of Sweden has also been granted FIPB approval on 15.6.95 to set up a Joint Venture Company to manufacture or to get manufactured from other independent units and market Oriflame`s products in India. FIPB has not granted any approval to Japan Life Insurance to undertake multi level marketing in India.

Insofar as dumping of products is concerned, the Directorate General of Anti-Dumping & Allied Duties (DGAD) initiates anti-dumping investigation on receiving fully documented petition from the domestic industry providing sufficient evidence of dumping, injury and a causal link between the dumped imports and the injury caused to the domestic industry. The DGAD so far has not received any petition from the domestic industry for initiation of anti-dumping investigations against products involved in multi level marketing by M/s. Amway Corporation of USA, M/s. Oriflame International of Sweden, Japan Life Insurance etc.